

Message Text

UNCLASSIFIED

PAGE 01 STATE 121685
ORIGIN COME-00

INFO OCT-01 EA-12 ISO-00 AID-05 CIAE-00 EB-08 FRB-01
INR-10 NSAE-00 ICA-20 TRSE-00 XMB-04 OPIC-06
SP-02 LAB-04 SIL-01 OMB-01 L-03 AGRE-00 /078 R

DRAFTED BY COM/BIEPR/OCA/J/ALAFAVE
APPROVED BY A/E :AG BE --
COM/BIEPR/OCA/J/NGLICK
COM/BIEPR/OCA/J/CJOHNSON
COM/AGC/SELLIS
COM/BIEPR/OTP/TNAB/MPRUIETT
STR/WBARREDA (IN SUBSTANCE)
TATE/EA/EP/DSTEBBING
EA/J:HCOCHRAN

-----086335 130551Z /16

R 121841Z MAY 78
FM SECSTATE WASHDC
TO AMEMBASSY TOKYO

UNCLAS STATE 121685

E.O. 11652: N/A

TAGS: BEXP JA

SUBJECT: TRADE FACILITATION COMMITTEE -- FILTRONA
INTERNATIONAL CORPORATION AND SALES OF CIGARETTE FILTERS TO
JTS

1. SUMMARY; USDOC PREPARING NEW CASE CONCERNING ALLEGED
"BUY JAPANESE" PROCUREMENT POLICY OF THE JAPAN TOBACCO AND
SALT CORPORATION (JTS) AS IT AFFECTS THE PURCHASE OF
CIGARETTE FILTERS. EMBASSY REQUESTED TO PROVIDE APPROPRI-
ATE SUPPLEMENTARY INFORMATION AND COMMENT ON SUITABILITY
OF THIS CASE FOR PRESENTATION IN TFC. EMBASSY SHOULD NOT
RPT NOT RAISE CASE IN TFC AT THIS TIME. END SUMMARY.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 121685

2. E.A. HILTON, PRESIDENT, FILTRONA INTERNATIONAL CORP.
(135 EAST 44TH ST., NEW YORK, NY) HAS BEEN IN CONTACT WITH
STR, EMBASSY TOKYO AND USDOC SEVERAL TIMES SINCE 1972 CON-
CERNING HIS VIGOROUS BUT UNSUCCESSFUL EFFORTS TO SELL
FILTRONA SCS CIGARETTE FILTERS TO JTS FOR USE IN JTS-
MANUFACTURED CIGARETTES (BACKGROUND CORRESPONDENCE AIR-

POUCHED TO EMBASSY). APPROACHES TO JTS HIGH OFFICIALS WERE MADE BOTH ON A DIRECT BASIS BY HILTON AND THROUGH MITSUI AND DAICEL COMPANIES. LAST MAY JTS PURCHASED 8,000 SCS FILTERS FOR TESTING BUT FILTRONA HAS NOT BEEN INFORMED OF ANY RESULTS. HILTON ASCRIBES JTS UNWILLINGNESS TO PURCHASE

SCS FILTER TO INFORMAL "BUY JAPANESE" POLICY. ALL FILTERS BOUGHT BY JTS ARE PURCHASED FROM DOMESTIC SUPPLIERS.

3. THE SCS FILTER FEATURES A UNIQUE CONSTRUCTION METHOD FOR HIGH TOBACCO SMOKE FILTRATION EFFICIENCY AND LOW TAR AND NICOTINE INTAKE. IT IS USED ON VANTAGE CIGARETTES. HILTON BELIEVES A CIGARETTE BRAND WITH SCS FILTER WOULD BE POPULAR WITH HEALTH-CONSCIOUS JAPANESE.

4. HILTON REPORTS THAT SOME JTS OFFICIALS UNOFFICIALLY HAVE EXPRESSED INTEREST IN THE SCS FILTER, BUT HAVE INFORMED HIM THAT THEY ARE UNABLE TO OBTAIN AUTHORIZATION FOR PURCHASE DUE TO "BUY JAPANESE" RULE. AUGUST 24, 1977 LETTER FROM MITSUI TO HILTON ALSO REFERS TO "BUY JAPANESE" JTS POLICY: (BEGIN QUOTE) THE INDUCTION OF SCS...FILTERS (IS) CHAMPIONED BY A GROUP WITHIN JTC (JTS), WHO MAINTAINS THE INTRODUCTION OF NEW BRANDS USING NEW FILTERS IS THE ONLY WAY TO STIMULATE CONSUMPTION OF CIGARETTES...AT THE SAME TIME THIS GROUP IS MEETING CONSIDERABLE OPPORSI-

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 121685

TION FROM "BUY JAPANESE" GROUP WHO WOULD WANT TO KEEP FILTER PLUG SUPPLY SOLELY DOMESTIC (END QUOTE).

5. ACTION: EMBASSY REQUESTED: (A) TO CORROBORATE THAT JTS PURCHASES CIGARETTE COMPONENTS SOLELY FROM DOMESTIC SUPPLIERS; (B) TO COMMENT ON WHETHER CASE SHOULD BE RAISED IN TFC. EMBASSY SHOULD NOT RPT NOT RAISE CASE IN TFC AT THIS TIME. UPON RECEIPT OF EMBASSY RESPONSE TO THIS TELGRAM FORMAL COMPLAINT (IF DECISION MADE TO PROCEED) WILL BE DRAFTED IN USDOC. VANCE

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 12 may 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE121685
Document Source: CORE
Document Unique ID: 00
Drafter: BIEPR/OCA/J/ALAFAVE
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780203-0362
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780563/aaaacbjs.tel
Line Count: 104
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 982e969f-c288-dd11-92da-001cc4696bcc
Office: ORIGIN COME
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 16 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2704219
Secure: OPEN
Status: NATIVE
Subject: TRADE FACILITATION COMMITTEE -- FILTRONA INTERNATIONAL CORPORATION AND SALES OF CIGARETTE FILTERS TO JTS
TAGS: BEXP, JA
To: TOKYO
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/982e969f-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014